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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 2.26.2010

Wall Street Journal: "AIG Loss Narrows, but Main Insurance Business Remains Weak ... American International Group Inc.'s fourth-quarter loss narrowed from the widest quarterly loss in history a year earlier."

Wall Street Journal: "Fed Examines Swaps Deals by Goldman and Others ... Federal Reserve Chairman Ben Bernanke said the central bank is examining controversial derivatives transactions that Goldman Sachs Group Inc. and other banks made with Greece."

Wall Street Journal: "Fed's Posture Improves in the Senate ... The Federal Reserve is gaining support in the Senate and could emerge from the overhaul of financial-market rules as the primary regulator of the country's largest financial firms, according to people involved in the negotiations."

Wall Street Journal: "Bernanke Says Deficit Action Is Key ... Federal Reserve Chairman Ben Bernanke faced a barrage of questions about the risks of a rising federal deficit as he delivered his semiannual economic report to Congress this week."

Wall Street Journal: "White House, Barney Frank, U.S. Chamber Weigh In on Consumer Agency ... A plan under serious consideration by Senate Banking Committee Chairman Christopher Dodd (D., Conn.), to potentially create a new consumer protection division within the Treasury Department instead of establishing a new entity as originally designed by the White House, triggered a variety of reactions on Thursday."



Wall Street Journal: "Fed Pay Rules: Clawbacks for Big Banks, Go Light on the Little Ones ... The Federal Reserve's new pay rules for banks are coming into better focus. Its general counsel, Scott Alvarez, was on Capitol Hill explaining how the rules, announced last October, are developing. He sought to draw distinctions between how the rules would affect small banks, big regional banks and the biggest firms. Here's how he broke it down:"

Wall Street Journal: "Dallas Fed's Fisher: Fed Has Done All It Can to Support Economy ... The Federal Reserve has provided all the support it can to the economy, and now is the time to allow those supportive policies to bear fruit, Bank of Dallas President Richard Fisher said in a Dow Jones Newswires interview Thursday."

Wall Street Journal: "Selling Investors Short ... Another day, another party-line 3-2 vote at the Securities and Exchange Commission on another transparently political initiative from Chairman Mary Schapiro. What was new about Wednesday's vote to approve new limits on short-selling was that not even Ms. Schapiro claimed there was any evidence that short-selling is harming investors-or that her new rule will help investors."

Washington Post: "Probe: Did big U.S. banks contribute to the financial crisis in Greece? ... The financial tumult now unsettling Europe came to Washington on Thursday, as Federal Reserve Chairman Ben S. Bernanke said that the federal government is looking into the role U.S. banks may have played in the Greek fiscal crisis."

Washington Post: "FDIC to test principal reduction for underwater borrowers ... The Federal Deposit Insurance Corp. is developing a program to test whether cutting the mortgage balances of distressed borrowers who owe significantly more than their homes are worth is an effective method for saving homeowners from foreclosure."

Washington Post: "Lawmakers question GMAC rescue ... The federal government went to extraordinary lengths to save



the auto financing company GMAC. It was the only bank to get three separate rounds of federal aid -- the most recent in December, even as the broader bailout was winding down -- and it is the only bank in which the government now owns a majority stake."

Washington Post: "Obama may compromise on consumer agency to pass financial regulation ... The Obama administration is no longer insisting on the creation of a stand-alone consumer protection agency as a central element of the plan to remake regulation of the financial system."

Washington Post: "Bernanke seeks to preserve Fed's power by compromising with Congress ... Federal Reserve Chairman Ben S. Bernanke launched a wide-ranging effort Wednesday to fend off congressional efforts to take powers away from the central bank, laying out a series of compromises and olive branches meant to defuse lawmakers' criticism."

NY Times: "Traction for Banking Regulation ... The prospect of a financial regulatory overhaul's passing Congress brightened on Thursday, as representatives of the banking industry left a meeting with the Treasury secretary saying that they had agreed on the need to get a bill through Congress this year."

Politico: "Fiscal reform effort may pay off ... Washington's eyes may have been trained on the high-stakes health care summit this week, but the Obama administration has been doing some multitasking."